

Press Release
JHAJHARIA NIRMAN LIMITED
September 10, 2025
Rating Reaffirmed



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	9.25	ACUITE A Stable Reaffirmed	-
Bank Loan Ratings	467.75	-	ACUITE A1 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	477.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating to **'ACUITE A' (read as ACUITE A)** and short-term rating to **'ACUITE A1' (read as ACUITE A one)** on the Rs. 477.00 Cr. bank facilities of Jhajharia Nirman Limited (JNL). The outlook remains **'Stable'**.

Rationale for Rating

The rating reaffirmation reflects that the scale of operation has witnessed a substantial improvement in FY25 (Prov.) in terms of operating income with stable profitability margins due to selection of projects being bid for by the company. The rating reflects JNL's strong project execution capabilities and healthy order book position which provides revenue visibility over the medium term. Although there is segmental concentration in revenues, but presence in various states provides some comfort to the business risk profile. The rating also factors in the company's healthy financial risk profile marked by a comfortable capital structure and moderate debt protection metrics. In addition, the company has adequate liquidity profile as reflected from its sufficient net cash accruals against debt repayment, moderate current ratio, moderate bank limit utilization and efficient working capital cycle. These rating strengths are partially offset by JNL's high exposure to the railway sector and the intensity of competition in infrastructure business.

Acuite notes the ongoing alleged bribery case against Mr. Sushil Agarwal in April 2025 by Central Bureau of Investigation (CBI) and any adverse outcome of the investigation might impact the business and credit profile of JNL and would remain a key monitorable.

About the Company

Jhajharia Nirman Limited (JNL) was established in 1994 in Bilaspur Chhattisgarh by Mr. Sushil Kumar Agarwal as a proprietorship firm. In 2008, the firm was converted into a Private Limited concern and subsequently in 2011 the entity was into closely held public limited company. The company executes various kinds of projects such as earthworks, Railway sidings, construction of major bridges, railway track works, supply of track ballast, transportation among others. Presently, the company is managed by Mr. Sushil Kumar Agarwal and his sons. Directors of Jhajharia Nirman Limited are Ms. Binita Agrawal, Mr. Sushil Kumar Agrawal, Mr. Sanjeev Gupta, Mr. Arunendra Kumar, Mr. Vinay Agrawal, Mr. Saransh Agrawal, Ms. Stuti Agrawal and Ms. Vaishali Agrawal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of JNL to arrive at the rating.

Key Rating Drivers

Strengths

Increase in scale of operations with stable margins

JNL has a long operational track record as the company is executing different kinds of civil projects since 1994. The company had witnessed improvement in scale of operation as revenue stood at Rs.1542.66 Cr. in FY25 (Prov.) as against Rs. 874.32 Cr. in FY24 due to better execution capabilities. Further, the company has attained revenues of Rs.307.25 Cr. till Q1FY26. JNL has strong orders in hand (unexecuted) of Rs. 3823.51 Cr. as of August 2025 (earlier Rs.3160.98 Cr. as of April 2024). The OB/OI is at 2.48 times. Almost 45% out of outstanding orders are expected to be completed within FY26 thus providing comfortable revenue visibility. The ability of the company to bag new orders and timely execution of the existing orders will remain a key monitorable. The company has its presence in various states like Maharashtra, Madhya Pradesh, Uttar Pradesh and others.

The EBITDA margin stood at 10.51 percent in FY25 (Prov.) as against 10.82 percent in FY24 and 10.36 percent in FY23. The slight decline was primarily due to the execution of high value-added projects, coupled with an increase in raw material and other manufacturing costs. The PAT margin stood at 5.63% in FY25 (Prov.) as against 5.91% in FY24 and 5.95% in FY23. However, the profitability margin depends on company's selection of projects being bid for.

Acuite believes the scale of operations will improve with stability in margins over the medium term backed by strong order flow and diversification into new geographical locations.

Healthy Financial Risk Profile

JNL has a healthy financial risk profile marked by its healthy net worth, low gearing and moderate debt protection metrics. The net worth of the Company stood at Rs.294.99 Cr. as on March 31, 2025 (Prov.) as against Rs.208.14 Cr. as on March 31, 2024, due to accretion of profits to reserves. The gearing stood below unity at 0.76 times as on March 31, 2025 (Prov.) against 1.09 times as on March 31, 2024. The company has incurred ~Rs.50 Cr. in FY25 as against ~Rs.33 Cr. in FY24 of capex towards equipment funded by internal accruals. The interest coverage ratio and debt service coverage ratio (DSCR) remained moderate at 5.59 times and 2.89 times respectively in FY25 (Provisional).

Acuite believes that financial risk profile will remain healthy backed by comfortable capital structure and absence of any major debt funded capex plans over the medium term.

Efficient Working capital cycle

The company has efficient working capital cycle as reflected from GCA days of 87 days in FY25 (Prov.) as against 168 days in FY24. The inventory days stood at 62 days in FY25 (Prov.) as against 136 days in FY24 due to better inventory management. The company's adherence to strong internal controls over material movement and optimal raw material utilization, contributed to this improvement. The Company has a healthy collection cycle as reflected from debtor days of 5 days in FY25 (Prov.) as against 12 days in FY24. This is a result of better payment cycle adopted by Railways. Against this the Company receives credit from its suppliers of 17 days in FY25 (Prov.) against 69 days in FY24. Acuite believes that working capital requirement is expected to remain at similar levels due to the policies adopted by the management.

Weaknesses

Customer concentration risk

Most of the revenue comes from the Indian Railways and is exposed to risks associated with changes in government policies and fund allocation. Though the company has its presence in various states, but customer concentration risk is significant which will remain monitorable.

Competitive and fragmented nature of industry

Most of the projects are tender-based and face intense competition, which may hence require it to bid aggressively to get contracts. Acuite believe that the company is susceptible to volatility in margins due to intense competition in infrastructure industry.

Investigation of bribery case by Central Bureau of Investigation (CBI)

The rating takes into account the ongoing investigation by the Central Bureau of Investigation (CBI) involving the Chief Engineer of South East Central Railways (SECR), Bilaspur, along with certain associates and the Managing Director of JNL, Mr. Sushil Agarwal. On April 25, 2025, the CBI uncovered alleged involvement of Mr. Agarwal in a bribery case, wherein a sum of Rs.0.32 crore was allegedly exchanged to secure favourable approvals for railway infrastructure contracts.

Despite the adverse developments, JNL's unexecuted order book from SECR remains healthy at Rs.830.19 crore as of August 2025. The company has also submitted bids for additional projects with SECR. Any adverse outcome of the investigation by CBI might impact the business and financial risk profile of JNL will remain a key monitorable.

Rating Sensitivities

Movement in operating income and profitability margins

Working capital management

Liquidity Position

Strong

The company has strong liquidity profile as reflected by net cash accrual of Rs 104.40 Cr. in FY25 (Prov.) as against the debt repayment of Rs.16.88 Cr. over the same period. Moreover, the company has nil utilization on the closing balance at month end as the company has surplus funds. JNL also has unencumbered cash & bank of Rs 9.21 Cr. during FY25 (Prov.). The Current ratio stood at 1.46 times in FY25 (Prov.) as against 1.32 times in FY24. The company had witnessed efficient working capital requirement as GCA days of 87days in FY25 (Prov.) as against 168 days in FY24. Acuite believes liquidity profile will remain strong over the medium term backed by sufficient net cash accrual against debt repayments, moderate current ratio and absence of any major debt funded capex plans over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	1542.66	874.32
PAT	Rs. Cr.	86.86	51.68
PAT Margin	(%)	5.63	5.91
Total Debt/Tangible Net Worth	Times	0.76	1.09
PBDIT/Interest	Times	5.59	5.65

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Jun 2024	Cash Credit	Long Term	0.25	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	0.03	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	1.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	2.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE A Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	49.95	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	75.76	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.55	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	29.90	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	33.05	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	48.14	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	14.86	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	85.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	39.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A1 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	3.51	ACUITE A1 (Assigned)
24 Apr 2024	Cash Credit	Long Term	2.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	1.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	1.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	0.25	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	1.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	5.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Bank Guarantee (BLR)	Short Term	48.14	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	75.76	ACUITE A1 (Upgraded from ACUITE A2+)

	Bank Guarantee (BLR)	Short Term	39.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	29.90	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	85.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	49.95	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A1 (Upgraded from ACUITE A2+)
25 Jan 2023	Cash Credit	Long Term	1.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	0.25	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	0.10	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	50.28	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	25.48	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	27.95	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.90	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.95	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A2+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	0.52	ACUITE A2+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	75.57	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	38.00	ACUITE A2+ (Assigned)
02 Dec 2022	Cash Credit	Long Term	2.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	0.25	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	0.10	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	22.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	50.28	ACUITE A2+ (Reaffirmed)
		Short		

	Bank Guarantee (BLR)	Term	27.95	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.90	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A2+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	0.52	ACUITE A2+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	85.00	Simple	ACUITE A1 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	106.31	Simple	ACUITE A1 Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	74.00	Simple	ACUITE A1 Reaffirmed
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.90	Simple	ACUITE A1 Reaffirmed
Federal Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	83.00	Simple	ACUITE A1 Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	88.00	Simple	ACUITE A1 Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.25	Simple	ACUITE A Stable Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A Stable Reaffirmed
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.54	Simple	ACUITE A1 Reaffirmed
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A Stable Reaffirmed

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About Acuité Ratings & Research

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